

**House File 2355 - Introduced**

HOUSE FILE 2355  
BY COMMITTEE ON LABOR

(SUCCESSOR TO HSB 596)

**A BILL FOR**

1 An Act relating to employment security benefits.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 96.3, subsection 7, paragraph b,  
2 subparagraph (1), subparagraph division (a), Code 2022, is  
3 amended to read as follows:

4 (a) If the department determines that an overpayment  
5 has been made, the charge for the overpayment against the  
6 employer's account shall be removed and the account shall  
7 be credited with an amount equal to the overpayment from  
8 the unemployment compensation trust fund and this credit  
9 shall include both contributory and reimbursable employers,  
10 notwithstanding [section 96.8, subsection 5](#). The employer shall  
11 not be relieved of charges if benefits are paid because the  
12 employer or an agent of the employer failed to respond timely  
13 or adequately to the department's request for information  
14 relating to the payment of benefits. This prohibition  
15 against relief of charges shall apply to both contributory and  
16 reimbursable employers. If the department determines that an  
17 employer's failure to respond timely or adequately was through  
18 no fault of the employer, the employer's account shall not be  
19 charged for the overpayment.

20 Sec. 2. Section 96.40, subsection 2, Code 2022, is amended  
21 by adding the following new paragraph:

22 NEW PARAGRAPH. 1. The reduction in work hours for employees  
23 was not based on a work week exceeding forty hours.

24 Sec. 3. Section 96.40, Code 2022, is amended by adding the  
25 following new subsections:

26 NEW SUBSECTION. 4A. Approval of a shared work plan shall  
27 be revoked if the employer lays off any employee, whether the  
28 employee is employed within an affected unit or not, while  
29 participating in the shared work unemployment compensation  
30 program.

31 NEW SUBSECTION. 12. A part-time employee shall be eligible  
32 for shared work unemployment compensation program benefits,  
33 provided that the employee meets all other requirements in this  
34 section.

35 EXPLANATION

1           The inclusion of this explanation does not constitute agreement with  
2           the explanation's substance by the members of the general assembly.

3       This bill relates to employment security benefits.

4       The bill allows an employer to obtain relief for an  
5 overpayment of unemployment benefits even though the employer  
6 or an agent of the employer failed to respond timely or  
7 adequately to a request by the department of workforce  
8 development for information relating to the payment of benefits  
9 provided that the department determines that the failure was  
10 through no fault of the employer. Under current law, a failure  
11 to respond timely or adequately is a bar to an employer's  
12 relief for an overpayment regardless of whether the failure was  
13 the employer's fault.

14       The shared work unemployment compensation program, or  
15 voluntary shared work program (VSW), is a program intended  
16 for use as an alternative to employee layoffs for businesses  
17 experiencing a decline in regular business activities. Under  
18 the VSW program, an employer creates a shared work plan to  
19 reduce the work hours of employees and unemployment insurance  
20 replaces lost earnings due to the reduced hours. The bill  
21 prevents a shared work plan from claiming a reduction of an  
22 employee's work hours based on a work week exceeding 40 hours.

23       The bill automatically revokes approval of a shared work  
24 plan if the employer who entered into the plan lays off an  
25 employee, whether the employee is covered by the shared work  
26 plan or not, while participating in the VSW program.

27       The bill makes part-time employees eligible for VSW  
28 program benefits, provided that the employees meet all other  
29 requirements for the VSW program.